

CIRCULAR

No. 788-C.  
Revised.

DEPARTMENT OF NATIONAL REVENUE, CANADA.  
(Excise Division)

Ottawa, 16th April, 1938.

To Collectors of Customs and Excise  
and others concerned:

RE: SALES TAX - PROVINCE OF QUEBEC

At the request of the Government of the Province of Quebec, this Department's Circular No.788-C dated June 30, 1937 is cancelled with effect from April 30, 1938. The following will therefore apply on and after May 1, 1938:-

SALES BY LICENSEES TO, AND IMPORTATIONS BY  
THE PROVINCIAL GOVERNMENT:

Licensed manufacturers, including those who have transferred their products to their unlicensed wholesale branches, may sell goods whether of their own manufacture or not, to the Province of Quebec without accounting for sales tax as heretofore.

NOTE:- Where sales tax has been paid on any goods sold to the Provincial Government, all refunds or adjustments in connection therewith must be made directly with this Department.

Licensed wholesalers may also sell goods to the Province of Quebec without accounting for sales tax as heretofore.

The Provincial Government will supply the usual certificate that the goods are for the sole use of the Province and are not for resale and that they are purchased with Crown funds. This certificate will also be applicable to direct importations by provincial government departments.

NOTE:- You are instructed to note that this does not include purchases or importations by any railway, commission, board, university, or public utility operated by or under the authority of the legislature or the Lieutenant Governor in Council of the Province.

Where taxable goods are sold by a licensed manufacturer or a licensed wholesaler to an unlicensed wholesaler or other dealer, and resold by the latter to a Department of the Provincial Government of Quebec entitled to obtain the goods for its own use, and not for resale, exempt from the tax, the sales tax does not apply providing the goods are shipped or delivered Direct from the licensed manufacturer or licensed wholesaler making the first sale, to a provincial government department and proof of such direct shipment or delivery, together with a certified copy of the exempted purchaser's order, bearing the certificate applicable, are filed in the office of the first vendor.

SALES OR IMPORTATIONS BY UNLICENSED SUPPLIERS:

Unlicensed suppliers who sell goods to Departments of the provincial government of Quebec entitled to exemption from sales tax, should invoice such goods without sales tax upon receiving the certificate of the provincial government that the goods being purchased are for the sole use of that government, are not for resale, and are purchased with Crown funds. Unlicensed suppliers making sales as above may make application to this Department for refund of the sales tax paid by them on the purchase or importation of the goods sold. The claim should be submitted on Form N-15 Amended, accompanied by a statement of sales prepared on N-15a, each in duplicate.

Collectors of Customs are not to permit the importation of taxable goods free from sales tax by unlicensed importers on their furnishing a certificate to the effect that the goods being imported are for the use of the provincial government of Quebec.

The provisions of this circular also apply to excise and special excise taxes.



Commissioner of Excise.